

BANK INDONESIA

**BANK INDONESIA REGULATION
NUMBER 1/7/PBI/1999**

CONCERNING

THE DEBTOR INFORMATION SYSTEM

THE GOVERNOR OF BANK INDONESIA,

Considering:

- a. whereas to provide information in support of smooth banking operations and a sound banking system, it is necessary to extend the scope of the previous credit information system so that it becomes a debtor information system;
- b. whereas to improve the transparency of debtor information made available by Bank Indonesia for bank purposes, it is necessary to improve the presentation of debtor information;
- c. now therefore it is deemed necessary to amend the provisions for the debtor information system in a Bank Indonesia Regulation;

In view of:

1. Act Number 7 of 1992 concerning Banking (State Gazette Number 31 of 1992, Supplement to the State Gazette Number 3472) as amended by Act Number 10 of 1998 (State Gazette Number 182 of 1998, Supplement to the State Gazette Number 3790);

2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette Number 66 of 1999, Supplement to the State Gazette Number 3843);

HAS DECREED:

To enact:

**THE BANK INDONESIA REGULATION
CONCERNING THE DEBTOR INFORMATION
SYSTEM**

**CHAPTER I
GENERAL PROVISIONS**

Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. Bank is a Commercial Bank as defined in Article 1 number 3 of Act Number 7 of 1992 concerning Banking, as amended by Act. Number 10 of 1998, and includes Branch Office of a Foreign Bank;
2. Reporting Bank Office is a Bank office conducting operations and includes:
 - a. head office conducting operational activities;
 - b. branch office of a Bank;
 - c. branch office of a Foreign Bank;
 - d. sub-branch office of a Foreign Bank;
3. Representative Office of a Foreign Bank is an office of a Foreign Bank which acts only as a liaison between the Bank and its customers;
4. Debtor Information System is a system providing information on debtors and/or debtor groups that is processed according to reports of provision of funds received by Bank Indonesia from Reporting Bank Offices and Representative Offices of Foreign Banks;

5. Provision of Funds is the placement of Bank funds in rupiahs or foreign currencies, comprising credit, securities, and equity participation, and includes commitments and contingencies in off balance sheet transactions;
6. Credit is the Provision of Funds or equivalent claims based on a loan agreement between a Bank and a party in which the borrowing party is required repay the debt after certain period together with a sum of interest, including:
 - a. purchase of securities from a customer accompanied with a Note Purchase Agreement (NPA);
 - b. negotiation of claims in the course of factoring;
7. Securities are promissory notes, bills of exchange, bonds, credit securities or any derivatives thereof, or other interest, or a liability of an issuer, in a form commonly traded on the money market and capital market, including but not limited to Bank Indonesia Certificates (SBIs), Money Market Securities, Commercial Paper, Mutual Fund Certificates, and Medium Term Notes;
8. Equity Participation is placement not conducted through the capital market of Bank funds in stocks of financial institutions, including temporary equity participation in a debtor company for the purpose of resolving credit default;
9. Off Balance Sheet Transactions are commitments and contingencies comprising issued guarantees, acceptances/endorsements, outstanding irrevocable letters of credit (L/Cs), securities sold under repurchase agreement (repo), standby L/Cs, and other guarantees, and derivative transactions which carry Credit risk;
10. Credit Risk for derivative transactions is the mark to market value of all agreements/contracts containing possible unrealized profit but which may potentially accrue as loss to the Bank in the event of default by the counterparty;
11. Foreign Borrowings are provision of funds received by Debtors from foreign parties through Banks, including overseas branch offices of banks or through Representative Offices of Foreign Banks;

12. Debtor is an individual or a corporate customer, not including a Bank or Representative Office of a Foreign Bank, which has obtained one or more facilities for Provision of Funds;
13. Debtor Group is a grouping of Debtors that are linked to each other by ownership, management and/or financial ties, as stipulated in the provisions concerning the Legal Lending Limit;
14. Prospective Debtor is an individual or a company/legal entity, not including a Bank and a Representative Office of a Foreign Bank, which has applied in writing to a Bank for a facility for Provision of Funds.

**CHAPTER II
PURPOSE AND OBJECTIVES**

Article 2

The operation of the Debtor Information System is intended to enable Banks to obtain complete information on Debtors as a means of expediting the provision of funds and avoid duplicate Provision of Funds.

**CHAPTER III
REPORTS ON PROVISION OF FUNDS**

Article 3

Reporting Bank Offices and Representative Offices of Foreign Banks are required to deliver Reports on Provision of Funds to Bank Indonesia each month for the position at the end of the month.

Article 4

Reports on Provision of Funds prepared by Reporting Bank Offices and Representative Offices of Foreign Bank as referred to in Article 3 shall be delivered with complete and truthful information.

Article 5

- (1) The scope of the Report on Provision of Funds as referred to in Article 3 shall encompass information on Debtors, management, owners and Debtor Groups, facilities for Provision of Funds, collateral/guarantees, and outstanding loans.
- (2) Facilities for Provision of Funds as referred to in paragraph (1) shall be reported for each debtor with a credit ceiling equal to or greater than Rp 50,000,000 (fifty million rupiahs).
- (3) Facilities for Provision of Funds as referred to in paragraph (1) with a credit ceiling per debtor of less than Rp 50,000,000 (fifty million rupiahs) shall be reported in summarized form.
- (4) Bank Indonesia may amend the scope of reporting in the Report on Provision of Funds as referred to in paragraph (1) and/or the credit ceiling as referred to in paragraph (2) and paragraph (3) in a Circular Letter of Bank Indonesia.

Article 6

- (1) Reporting Bank Offices and Representative Offices of Foreign Banks shall deliver Reports on Provision of Funds as referred to in Article 3 not later than the 10th (tenth) day of the month after the end of the reporting month.
- (2) A Reporting Bank Office and Representative Office of a Foreign Bank shall be deemed late in delivery of a Report on Provision of Funds as referred to in paragraph (1) if the report is delivered after the 10th (tenth) day of the month.

Article 7

- (1) A Reporting Bank Office and Representative Office of a Foreign Banks shall make corrections in the event of an error and/or change arising from updating of data in a Report on Provision of Funds previously delivered to Bank Indonesia.

- (2) Corrections as referred to in paragraph (1) shall be reported to Bank Indonesia not later than the 17th (seventeenth) day of the month after the end of the reporting month.
- (3) A Reporting Bank Office and Representative Office of a Foreign Bank shall be deemed late in delivery of a corrected Report on Provision of Funds if it has not delivered the corrected report by the 17th (seventeenth) day of the month.

Article 8

- (1) Reporting Bank Offices shall deliver Reports on Provision of Funds on-line.
- (2) Representative Offices of Foreign Banks may deliver Reports on Provision of Funds on-line or in hard copy.
- (3) A Reporting Bank Office in a region without telecommunications facilities or which experiences *force majeure* so that it is unable to deliver a Report on Provision of Funds on-line may deliver the report on diskette.
- (4) The Reporting Bank Office shall inform Bank Indonesia in writing, explaining the reasons therefor, in the event that it is unable to delivery reports on-line as referred to in paragraph (3).

CHAPTER IV

DEBTOR INFORMATION

Article 9

- (1) Reporting Bank Offices and Representative Offices of Foreign Banks that have complied with their reporting requirements as referred to in Article 6 and Article 7 may request Debtor information from Bank Indonesia.
- (2) Debtor Information made available to a Reporting Bank Office and Representative Office of a Foreign Bank as referred to in paragraph (1) shall encompass information on Debtors and/or Prospective Debtors of the Reporting Bank Office and Representative Office of the Foreign Bank concerned.

Article 10

- (1) Requests for Debtor Information from a Reporting Bank Office shall be submitted on-line.
- (2) Requests for Debtor Information from a Representative Office of a Foreign Bank may be submitted on-line or in writing.
- (3) In the event that a Reporting Bank Office is in a region without telecommunications facilities or which experiences *force majeure* so that it is unable to deliver a Report on Provision of Funds on-line may deliver the report in writing.

Article 11

- (1) Use of Debtor Information shall be restricted and intended only for the purposes of a Reporting Bank Office and Representative Office of a Foreign Bank.
- (2) Any consequences arising from the use of Debtor Information in departure from the purpose and objective referred to in Article 2 shall constitute the full liability of the Reporting Bank Office and Representative Office of the Foreign Bank concerned.

CHAPTER V

APPOINTMENT OF OFFICERS

Article 12

Reporting Bank Offices and Representative Offices of Foreign Banks shall inform Bank Indonesia in writing of the following:

- a. name of the officer responsible for the integrity and completeness of the Report on Provision of Funds;
- b. name of the officer authorized to request and receive Debtor information.

CHAPTER VI

ADDRESSES FOR DELIVERY OF REPORTS, REQUESTS FOR INFORMATION, AND APPOINTMENT OF OFFICERS

Article 13

Reports as referred to in Article 8 paragraph (2), paragraph (3), and paragraph (4), applications for Debtor information as referred to in Article 10 paragraph (2) and paragraph (3), and letters of appointment of officers as referred to in Article 12 shall be addressed to:

- a. Bank Indonesia, attn: Directorate of Bank Licensing and Information, Jl. M.H. Thamrin No. 2, Jakarta 10110, for a Reporting Bank Office and Representative Office of a Foreign Bank in the Jakarta-Bogor-Tangerang-Bekasi area; or
- b. Local Bank Indonesia Branch Office for a Reporting Bank Office and Representative Office of a Foreign Bank outside the Jakarta-Bogor-Tangerang-Bekasi area.

CHAPTER VII

ADMINISTRATIVE SANCTIONS

Article 14

Any Reporting Bank Office and Representative Office of a Foreign Bank that fails to report one or more facilities in its Report on Provision of Funds as referred to in Article 5 paragraph (1) shall be liable to a fine in the amount of Rp 250,000 (two hundred and fifty thousand rupiahs) for each facility each month up to a maximum of Rp 10,000,000 (ten million rupiahs) for the most recent 12 (twelve) months.

Article 15

- (1) Any violation of the requirement for delivery of Reports on Provision of Funds as referred to in Article 6 paragraph (1) shall be liable to sanctions comprising:

- a. fine in the amount of Rp 1,000,000 (one million rupiahs) per day of delay for each late report as referred to in Article 6 paragraph (2) until the bank delivers the report; and
 - b. suspension of provision of Debtor information as referred to in Article 9 until Bank Indonesia has received the Report on Provision of Funds concerned.
- (2) In the case of delinquency in delivery of a Report on Provision of Funds as referred to in Article 6 paragraph (1) that extends to the reporting deadline for the following month, without prejudice to the sanctions referred to in paragraph (1), the bank shall be liable to sanctions in the form of written warning and downgrading of bank rating.

Article 16

- (1) A Reporting Bank Office and Representative Office of a Foreign Bank that is late in delivery or fails to deliver a corrected report as referred to in Article 7 paragraph (1) shall be liable to sanctions in the form of:
 - a. fine in the amount of Rp 250,000 (two hundred and fifty thousand rupiahs) per day of delay for each late report as referred to in Article 7 paragraph (3) until the bank delivers the report; and
 - b. suspension of provision of Debtor information as referred to in Article 9 until Bank Indonesia has received the Report on Provision of Funds concerned.
- (2) In the case of delinquency in delivery of a corrected Report on Provision of Funds as referred to in Article 7 paragraph (1) that extends to the reporting deadline for the following month, without prejudice to the sanctions referred to in paragraph (1), the bank shall be liable to sanctions in the form of written warning and downgrading of bank rating.

Article 17

- (1) A Reporting Bank Office that fails to deliver a report on-line as referred to in Article 8 paragraph (1) shall be liable to a fine in the amount of Rp 1,000,000 (one million rupiahs) for each report.

(2) The fine referred to in paragraph (1) shall not apply to a Reporting Bank Office which approved by Bank Indonesia for exemption from on-line delivery of reports as referred to in Article 8 paragraph (4).

Article 18

A Reporting Bank Office and Representative Office of a Foreign Bank requesting Debtor information that is used not for the purpose and objectives as referred to in Article 2 shall be liable to a fine of Rp 50,000,000 (fifty million rupiah) for each item of Debtor information.

**CHAPTER VIII
TRANSITIONAL PROVISIONS**

Article 19

Reporting Bank Offices and Representative Offices of Foreign Banks shall deliver reports on all facilities for Provision of Funds recorded in their books commencing from the end of July 1999.

Article 20

Imposition of sanctions as referred to in Article 14, Article 15, Article 16, and Article 17 shall become effective commencing from the reporting of data for the month of September 1999.

**CHAPTER IX
CONCLUDING PROVISIONS**

Article 21

Further provisions concerning the procedure for delivery of Reports on Provision of Funds and Debtor Information shall be stipulated in a Circular Letter of Bank Indonesia.

Article 22

With the issuance of this Bank Indonesia Regulation,

- a. Decree of the Board of Managing Directors of Bank Indonesia Number 27/58/ KEP/DIR dated September 8, 1994 concerning Reports on Provision of Funds;
- b. Decree of the Board of Managing Directors of Bank Indonesia Number 23/90/ KEP/DIR dated March 18, 1990 concerning Reports on Debtors Receiving Foreign Borrowings and Applicants Obtaining Bank Guarantees for Settlement of Foreign Liabilities;
- c. Decree of the Board of Managing Directors of Bank Indonesia Number 28/37/ KEP/DIR dated July 10, 1995 concerning Debtors of Commercial Banks;

are revoked and declared no longer valid.

Article 23

This Bank Indonesia Regulation shall come into force on the date of its enactment.

Enacted in: Jakarta,

Date: September 20, 1999

GOVERNOR OF BANK INDONESIA

(signed)

SYAHRIL SABIRIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 159
OF 1999

DPNP

BANK INDONESIA

ELUCIDATION

TO

BANK INDONESIA REGULATION

NUMBER 1/7/PBI/1999

CONCERNING

THE DEBTOR INFORMATION SYSTEM

GENERAL REVIEW

To support the operation of a sound banking and credit system and establish a more complete database on debtors, it is necessary for the Credit Information System, originally consisting of loan reports, to be expanded in scope to become reports on provision of funds, providing information on credit with or without collateral, securities, equity participation, and off-balance sheet transactions including foreign borrowings.

Accordingly, to improve the effectiveness and efficiency of the operation of the debtor information system, improvements have also been made to the system and procedures for requesting and providing debtor information.

Thus the Credit Information System has been changed into the Debtor Information System.

ARTICLE BY ARTICLE

Article 1

Number 1

Self-explanatory

Number 2

Letter a

Other expressions for head office conducting operational activities include but are not limited to main branch offices.

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Letter b

A branch office of a Bank is a Bank office that is directly responsible to the head office of the Bank concerned, having a permanent business address. Reports from overseas branch offices shall be delivered by the head office of the Bank concerned. Reports from sub-branch offices shall be consolidated into the report of the parent branch office.

Letter c

The provisions concerning Branch Offices of Foreign Banks shall be guided by the Decree of the Board of Managing Directors of Bank Indonesia concerning Requirements and Procedures for Establishment of Branch Offices, Sub-Branch Offices, and Representative Offices of Foreign Banks.

Letter d

A Report from a Bank Office below a Sub-branch Office of a Foreign Bank shall be consolidated into the report of the Sub-Branch Office of the Foreign Bank in charge of that Bank Office.

Number 3 until number 14

Self-explanatory

Article 2

Self-explanatory

Article 3

The position at the end of the month for Provision of Funds shall be equal to the position reported in the Commercial Bank Monthly Report.

Article 4

Self-explanatory

Article 5

Paragraph (1)

Reports on Provision of Funds for:

- a. debtors shall contain information including but not limited to name, address, taxpayer ID number/personal ID card number, and connection with the bank;
- b. management, owners and debtor group shall contain information including but not limited to name, address, taxpayer ID number/personal ID card number, position, and share of ownership;
- c. facilities for Provision of Funds shall contain information including but not limited to credit, securities, equity participation, and off-balance sheet transactions including foreign borrowings;
- d. collateral/guarantees shall contain information including but not limited to proof of ownership, assessed value, and location of collateral;
- e. outstanding loans shall contain information including but not limited to outstanding funds and quality of provision of funds.

Paragraph (2)

Provision of Funds in foreign currency with a ceiling equal to or greater than the equivalent of Rp 50,000,000 (fifty million rupiahs) shall be reported in the currency of origin.

Paragraph (3)

Provision of Funds in foreign currency with a ceiling less than the equivalent of Rp 50,000,000 (fifty million rupiahs) shall be reported in summarized form per currency of origin.

Paragraph (4)

Self-explanatory

Article 6

Paragraph (1)

Monthly report is defined as the month of the data, for example the July 1999 report presents the data for the end-month position of July 1999. The report on Provision of Funds for July 1999 shall be delivered from August 1, 1999 to August 10, 1999. If the 10th day falls on a Saturday, Sunday, or public holiday, the Report on Provision of Funds shall be delivered to Bank Indonesia not later than the previous working day.

Paragraph (2)

Self-explanatory

Article 7

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Delivery of a corrected report shall be deemed late if the correction to the Report on Provision of Funds for July 1999 is delivered to Bank Indonesia on August 18, 1999.

Article 8

Paragraph (1)

Self-explanatory

Paragraph (2)

This exemption is provided because Representative Offices of Foreign Banks do not conduct operational activities.

Paragraph (3)

Force majeure includes but is not limited to fire, flood, earthquake, and riots.

Paragraph (4)

Self-explanatory

Article 9

Paragraph (1)

Self-explanatory

Paragraph (2)

The Debtor Information made available consists of information on Individual Debtors and information on Delinquent Debtors.

Article 10

Paragraph (1)

Requests for information on Individual Debtors and information on Delinquent Debtors shall be submitted by a bank office on-line to the local Bank Indonesia office.

Paragraph (2)

Use of facsimile or telex is not permitted for transmission of written requests for information.

Representative Offices of Foreign Banks that may request Debtor information on-line are Representative Offices of Foreign Banks that have delivered reports on-line.

Paragraph (3)

Force majeure includes but is not limited to fire, flood, earthquake, and riots.

Article 11

Paragraph (1)

Debtor Information may not be passed on to other parties.

Paragraph (2)

Self-explanatory

Article 12

Self-explanatory

Article 13

Self-explanatory

Article 14

In the event that a debtor receives several facilities for Provision of Funds such as working capital credit, investment credit, securities, consumer credit, and foreign borrowings, and four of these facilities have not been reported to Bank Indonesia for 1 (one) month, a penalty shall be imposed for failure to report in the amount of Rp 1,000,000 (one million rupiahs). If these facilities are not reported for 12 months, the maximum penalty shall be Rp 10,000,000 (ten million rupiahs).

Article 15

Paragraph (1)

Letter a

If a Bank delivers a Report on Provision of Funds with July data on August 12, 1999, it shall be liable to a fine for 2 (two) days of delay in reporting amounting to Rp 2,000,000 (two million rupiahs). If the bank delivers the report on September 10, 1999, it shall be liable to a fine for 31 (thirty one) days of delay in reporting amounting to Rp 31,000,000 (thirty one million rupiahs).

Letter b

Self-explanatory

Paragraph (2)

Self-explanatory

Article 16

Paragraph (1)

Letter a

If a bank delivers a corrected Report on Provision of Funds containing data for July 1999 on August 19, 1999, for four facilities, it shall be liable to a fine for 2 (two) days of delay in reporting amounting to Rp 500,000 (five hundred thousand rupiahs). If the bank delivers the corrected report on September 19, 1999, it shall be liable to a penalty for 31 (thirty one) days of delay in reporting amounting to Rp 7,750,000 (seven million seven hundred and fifty thousand rupiahs).

Letter b

Self-explanatory

Paragraph (2)

Self-explanatory

Article 17

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Article 18

Self-explanatory

Article 19

Reports on Provision of Funds as referred to in this Bank Indonesia Regulation shall be delivered by Bank Offices as referred to in Article 3 paragraph (2) and by Representative Offices of Foreign Banks for the first time for the report on the July 1999 position.

Article 20

Self-explanatory

Article 21

Self-explanatory

Article 22

Self-explanatory

Article 23

Self-explanatory

Article 17

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Article 18

Self-explanatory

Article 19

Reports on Provision of Funds as referred to in this Bank Indonesia Regulation shall be delivered by Bank Offices as referred to in Article 3 paragraph (2) and by Representative Offices of Foreign Banks for the first time for the report on the July 1999 position.

Article 20

Self-explanatory

Article 21

Self-explanatory

Article 22

Self-explanatory

Article 23

Self-explanatory